

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

JAY D. KAISER, SENIOR ADVISOR, INC., a
Washington corporation, and JAY D. KAISER,
individually,

Respondents.

SDO - 016 - 02

CONSENT ORDER TO CEASE AND DESIST
AND VACATING SUMMARY ORDER

SDO - 015 - 02

Case No. 01 - 04 - 122

THE STATE OF
WASHINGTON TO:

Jay D. Kaiser, Senior Advisor, Inc.
Jay D. Kaiser, President
2611 NE 125th, Suite 160
Seattle, WA 98125

Jay D. Kaiser
1612 44th Avenue SW
Seattle, WA 98116

Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Division of the Department of Financial Institutions, State of Washington, and Respondents, Jay D. Kaiser, Senior Advisor, Inc., a Washington corporation, and Jay D. Kaiser, individually, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents admit to the Findings of Fact and Conclusions of Law stated below. Respondents wish to conclude this matter without invoking their right to a hearing.

FINDINGS OF FACT

I. Respondents

1. Jay D. Kaiser, Senior Advisor, Inc. ("Advisor") is a closely held Washington for-profit corporation authorized to do business December 21, 1998. Advisor's primary place of business is located at 2611 NE 125th Street, Suite 106, in Seattle, Washington. Advisor provides financial and investment advice to senior citizens and others primarily relating to income tax reduction, asset protection, and long-term care planning. Advisor is neither a Federally nor a State licensed investment adviser.

1 2. Jay D. Kaiser ("Kaiser") is the Chairman, President, and sole officer of Advisor. Kaiser has been
2 licensed by the Office of the Insurance Commissioner as an insurance agent since October 18, 1993, and
3 currently hold a license to sell life and disability insurance. Kaiser is neither a Federally nor a State
4 licensed investment adviser representative. Kaiser resides in Seattle.

5 II. Nature of the Violations

6 3. Beginning on or about February 1997, Respondents conducted free introductory seminars throughout
7 Western Washington. During the seminar, Respondent Kaiser provided basic information about how seniors
8 could protect their assets, focusing on fighting inflation, reducing taxes, and paying for long-term medical
9 care. Throughout the seminar, Respondent Kaiser solicited attendees to retain the services of Respondents,
10 offering \$100 discounts to attendees who signed up and paid in full at the seminar, and \$50 discounts to
11 attendees who signed up at a later date.

12 4. Attendees who decided to retain Respondents were asked to sign a "Fee Agreement" disclosing the terms
13 of the retainer, including the fee. The fee before discount ranged from \$195 in 1997 to \$495 in 1999. In
14 November 1999, the Fee Agreement provided that the relationship between Respondents and a client was one
15 of Client/Advisor; covered a period of one year; that the Advisor would conduct an analysis of the client's
16 financial situation and make recommendations based on that analysis; and that the Advisor was not a financial
17 planner, investment adviser, investment counselor, or attorney.

18 5. Once the client indicated a desire to retain Respondents, Respondents set an appointment for an interview
19 with the client. Respondents instructed clients to bring to the interview information related to their financial
20 situation. Respondents used the information from the interview to prepare recommendations.

21 6. Respondents advised some clients to transfer and/or sell securities to finance the purchase of fixed
22 annuities and other insurance products.

1 7. At all times material to this action, Respondent Advisor was not registered as an investment adviser in the
2 State of Washington, was not exempt from State or Federal registration, and was not registered or exempt
3 from registration under the Investment Company Act of 1940.

4 8. At all times material to this action, Respondent Kaiser was not registered as an investment adviser
5 representative in the State of Washington, was not exempt from State or Federal registration, and was not
6 registered or exempt from registration under the Investment Company Act of 1940.

7 Based upon the above Findings of Fact, the following Conclusions of Law are made:

8 **CONCLUSIONS OF LAW**

- 9 1. The provision of advice, for compensation, to transfer and/or sell securities, constitutes acting as an
10 "investment adviser" and/or "investment adviser representative" as defined in RCW 21.20.005(6) and (14).
11 2. Respondents have each violated RCW 21.20.040 by acting as an investment adviser and/or investment
12 adviser representative while not registered with the Securities Division of the State of Washington.

13 **ORDER AND CONSENT**

14 The Securities Division and Respondents Jay D. Kaiser, Senior Advisor, Inc. and Jay D. Kaiser,
15 individually, have agreed upon a basis for resolution of the matters alleged above. Respondents agree to the
16 entry of this Consent Order pursuant to the Securities Act of Washington. Respondents acknowledge the
17 Securities Division's jurisdiction over this matter and its authority to enter this order. Based upon the
18 foregoing Findings of Fact and Conclusions of Law:

19 IT IS AGREED AND ORDERED that Respondents Jay D. Kaiser, Senior Advisor, Inc., Jay D. Kaiser,
20 and their officers, directors, employees, partners, agents, subsidiaries, successors, and all persons in active
21 concert or participation with any of them, shall each cease and desist from acting as unregistered investment
22 advisers and/or unregistered investment adviser representatives in violation of RCW 21.20.040, the investment
23 adviser and investment adviser representative registration section of the Securities Act.

1 It is further AGREED AND ORDERED that pursuant to RCW 21.20.395, Respondents shall be jointly
2 and severally liable for and shall pay the Securities Division a fine of Ten Thousand Dollars (\$10,000),
3 with the entire amount of said fine suspended contingent upon future compliance with this Consent Order.
4 In the event that Respondents fail to comply with the terms and provisions of this Order, in addition to any
5 other remedy available, the entire fine shall be immediately due and payable.

6 It is further AGREED AND ORDERED that Respondents shall be jointly and severally liable for and
7 shall pay the Securities Division the amount of Six Thousand Dollars (\$6,000) for reimbursement of its
8 costs of the investigation into this matter, and Two Thousand One Hundred Fifty Dollars (\$2,150) for
9 Investment Adviser and Investment Adviser Representative registration and late renewal fees.

10 The total of Eight Thousand One Hundred Fifty Dollars (\$8,150) in costs and fees is to be paid to the
11 Division prior to the entry of this Order, and shall be (a) made by U.S. postal money order, certified check,
12 bank cashier's check, or bank money order; (b) made payable to the Washington State Treasurer; (c)
13 delivered by certified mail to Deborah R. Bortner, Securities Administrator, Department of Financial
14 Institutions, PO Box 9033, Olympia, Washington 98507-9033; and (d) submitted with a cover letter that
15 identifies this matter by caption, order number, and case number.

16 It is further AGREED AND ORDERED that pursuant to RCW 21.20.390, for a period of three (3) years,
17 Respondents shall be subject to examinations by the Division on at least an annual basis, with an initial
18 oversight examination to be conducted no later than six (6) months after the date of entry of this Order.
19 Respondents shall be jointly and severally liable for, and shall pay, within 30 days of invoice, all costs
20 associated with said examinations, subject to a Three Thousand Dollar (\$3,000) maximum per year.

21 It is further AGREED AND ORDERED that pursuant to RCW 21.20.390, Respondents shall be jointly
22 and severally liable to provide and fully comply with a client notice and refund claims process. The notice
23 and claims process shall be applicable solely to the clients identified by Respondents as having paid

